

2/1/66

1 July 1966

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MEMORANDUM FOR THE RECORD

SUBJECT: H. R. 14590 - Meeting with Mr. Richard M. Cody, Civil Service Commission

1. On 27 June 1966 I met with Mr. Cody to go over several items in our proposed revised bill: (a) Cost of Living. Although initially finding some trouble with our proposal to make the first increase apply to employees retiring after the date of enactment, Mr. Cody agreed that the prospective application proposal by the Foreign Service and its approval by the Cabinet Level Retirement Committee was helpful. He agreed that our retirement act, while borrowing chiefly from the Civil Service Retirement provisions, was a hybrid system using principles found in the Foreign Service Retirement system as well. However, he suggested that we remove specific dates relevant only to the Daniels bill and rephrase our language so that the principle is stated without the prop of dates only applicable to the civil service system. He also recommended that the Director be given the responsibility for making the cost of living determinations. Cody said that the percentage rise in cost of living since August 1965 (upon which the 4.6% Daniels bill increase was predicated) is now 2.2% and an additional rise of less than .8% will kick off another cost of living adjustment of annuities. Mr. Cody's initial negative reaction to our proposal was based upon the fact that beneficiaries of the first increase under our Act will have had almost a year more service at higher salary levels towards "high five" than the Daniels bill retirees; (b) Remarriage. Mr. Cody did not see any problem with our predicating the elimination of remarriage as a terminating event on the foreign service rule rather than the rule being prescribed for civil service in H. R. 14122.

STATINTL !

Office of Legislative Counsel

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